DOCTORS
MEDICAL CENTER

Doctors Medical Center Management Authority, JPA Board Meeting

Wednesday, March 24, 2010
3:00 P.M. – Auditorium
Doctors Medical Center
2000 Vale Road
San Pablo, CA 94806

DOCTORS MEDICAL CENTER MANAGEMENT AUTHORITY

Doctors Medical Center Management Authority,
JPA Board
Wednesday, March 24, 2010 – 3:00 pm
Doctors Medical Center - Auditorium
2000 Vale Road, San Pablo, CA 94806

Governing Board
Supervisor John Gioia, Chair
Stephen Arnold, M.D.
Pat Godley
Supervisor Federal Glover
Bill Walker, M.D.
Beverly Wallace
Eric Zell

AGENDA

1. Call to Order and Roll Call

2. Approve Minutes of Board Meeting of February 24, 2010

3. Public Comment
   [At this time persons in the audience may speak on any items not on the Agenda which are within the jurisdiction of the Doctors Medical Center Management Authority.]

4. Presentation and Acceptance of the February 2010 Financial Statements

5. Approve new policy regarding Delegation of Authority to CEO: Pursuant to JPA Agreement, Article 9. Management Oversight of DMC, Section 2: Personnel and Employment Policies and Procedures.

6. Quality Report

7. CEO Report

Closed Session

8. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6)
   Agency Negotiators: Charm Patton, Vice President of Human Resources
   Employee Organizations: California Nurse Association

Open Session

9. Report of Reportable Action(s) Taken During Closed Session, if any.

10. Adjournment

DOCTORS
MEDICAL CENTER

MINUTES
February 24, 2010

Tab 2

DOCTORS MEDICAL CENTER MANAGEMENT AUTHORITY

Doctors Medical Center Management Authority
Governing Board Meeting
February 24, 2010 – 3:00 pm
Doctors Medical Center - Auditorium
2000 Vale Road, San Pablo, CA 94806

Governing Board
Supervisor John Gioia, Chair
Sharon Drager, M.D.
Pat Godley
Supervisor Federal D. Glover
Bill Walker, M.D.
Beverly Wallace
Eric Zell

Minutes

1. **Call to Order and Roll Call – 3:05 p.m.**

   Quorum was established; roll was called.

   Voting Members: *Supervisor John Gioia, Chair*
   Beverly Wallace
   Stephen Arnold, M.D.
   Pat Godley
   Eric Zell

   Excused Absence: *Supervisor Federal D. Glover*
   Bill Walker, M.D.

2. **Approval Minutes of Board Meeting of January 27, 2010**

   The motion made by Dr. Arnold and seconded by Mr. Supervisor Gioia to approve the minutes of the January 27, 2010 Board meeting was passed unanimously.

3. **Public Comment**

   There were no public comments.

4. **Presentation and Acceptance of January 2010 Financial Statements**

   Richard Reid, CFO, reported January 2010 net income was a gain of $341,000 on a budget of $679,000; the average length of stay increased to 5.82 days and the average daily census was 113. He reported that the total cash balance is $11.6 million and there are 29 days of cash on hand.

   The motion made by Mr. Zell and seconded by Mr. Godley to accept the financials for January 27, 2010 passed unanimously.

5. Recommendation to the District Board to approve Tenant Improvements for San Pablo Outpatient Center

This agenda item was on the JPA Board agenda during the fall. It was deferred pending completion of bidding process. Seven bids were submitted with the lowest being Hilbers. David Ziolkowski, Chief Operations Officer, sought recommendation by JPA Board to District Board approval and authorization to accept bid from Hilbers Construction in the amount of $1,391,428 for construction of tenant improvements for the San Pablo Outpatient Center; other unbudgeted costs, i.e., architectural fees, permit & utility fees, construction project management in the amount of $123,000 and 7.5% contingency costs in the amount of $100,572 totaling to $1,615,000 and hiring of Nova Partners to manage construction for DMC.

The motion made by Mr. Zell and seconded by Dr. Arnold to recommend to the District Board approval and authorization of COO to accept bid from Hilbers Construction in the amount of $1,391,428 for construction of tenant improvements for the San Pablo Outpatient Center; other unbudgeted costs, i.e., architectural fees, permit & utility fees, construction project management in the amount of $123,000 and 7.5% contingency costs in the amount of $100,572 totaling to $1,615,000 and hireNova Partners to manage construction for DMC passed unanimously.

6. Quality Report

George Wenner, Quality Director, presented itemized best practice levels on the following core measures (top 10% state and national levels) with clarification for symbols, i.e., AMI, VTE, etc.:

- Surgical Infection Prevention
- Community Acquired Pneumonia
- Acute Myocardial Infarction "Heart Attack"
- Congestive Heart Failure

Additionally, he reported that non-public reported collected data will be presented at closed session each month with quarterly wrap up graphing to performance and standard deviation with color dash boarding. Non-public collected data cannot be discussed in open session until CMS makes it available to the public; it takes CMS one year to make data become public.

There were 2 reported stage 3 pressure wounds in the past month. As a result of this, the following actions were put in place:

- One on one monitoring with nurse managers, 1 new admission, 1 would patient to ensure compliance to treatment modality and care planning
- New process of 2 nurses to complete new admission assessment

- "Turn, Turn, Turn Project" for the 5th floor: the music will be played for 30 seconds every two hours on the hour to remind nurses to turn the patients.

Monitoring tool is also in place.

Midas went live on Tuesday, February 23, 2010, which makes easier to extract quality data. A Core Measure Team headed by Dr. Cadotte was also established and first meeting was held this week. A Core Measure Rounding Team will start on Thursday, February 25, 2010. They will make their rounds every Tuesday and Thursday.

7. CEO Report

Joseph Stewart, President CEO reported the following:

- Mr. Stewart stated moving forward with the county clinic relocation to DMC following are two significant factors that need to be addressed: 1) Logistics of the grounds, i.e., parking, etc. and 2) problematic elements, i.e., integration of ancillary services and specialty services.
- With the Midas Software, DMC is getting away from paper review and extraction of quality data is much easier with Midas
- DMC Telecare is a free service for senior citizens who live alone. The DMC Volunteer Service League runs it and you must register to become a member. A brochure was made available to everyone present.

8. Adjourn to Closed Session

The JPA Board adjourned to closed session at 4:15 p.m. Supervisor Gioia reported that there would be no reportable actions taken from the closed session.

DOCTORS
MEDICAL CENTER

FINANCIAL STATEMENTS
February 2010

Tab 4

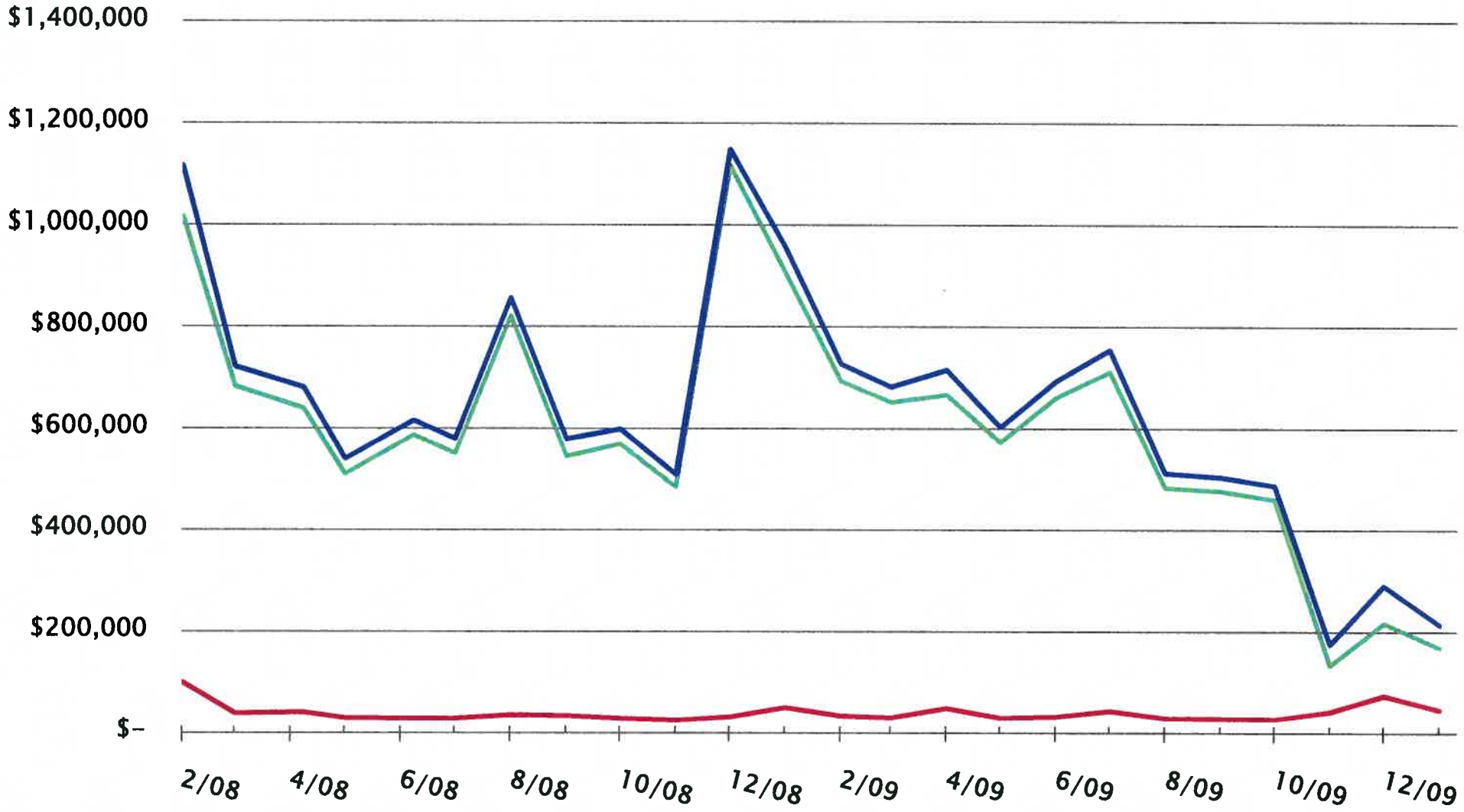
DOCTORS MEDICAL CENTER

Board Presentation

February 2010 Financial Report

RN Overtime

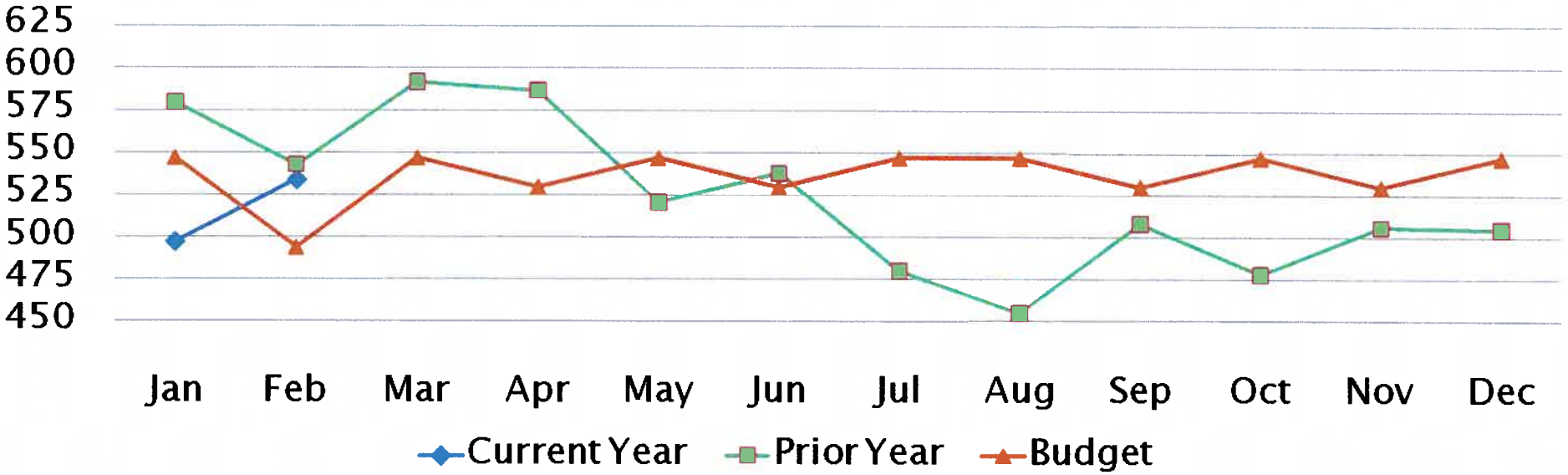
February 2008 – January 2010



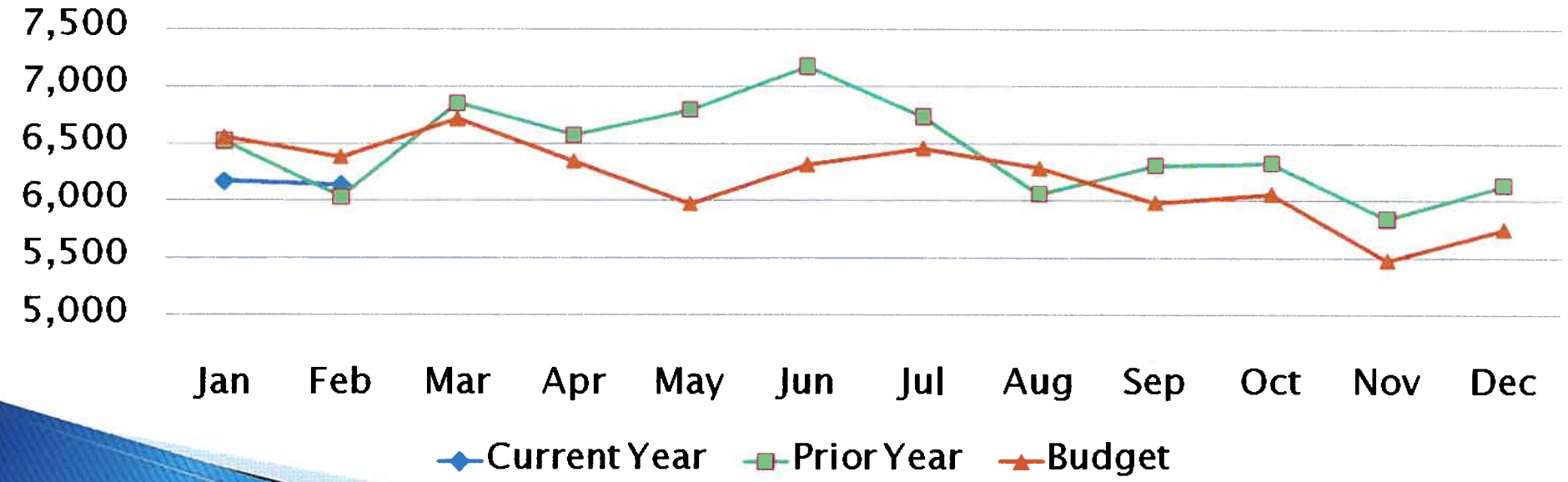
Patient Activity
For the Period Ending
February 28, 2010

Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
534	494	40	**Inpatient Discharges**	1,031	1,042	(11)
6,136	6,351	(215)	**Outpatient Visits**	12,306	12,904	(598)

Inpatient Discharges



Outpatient Visits

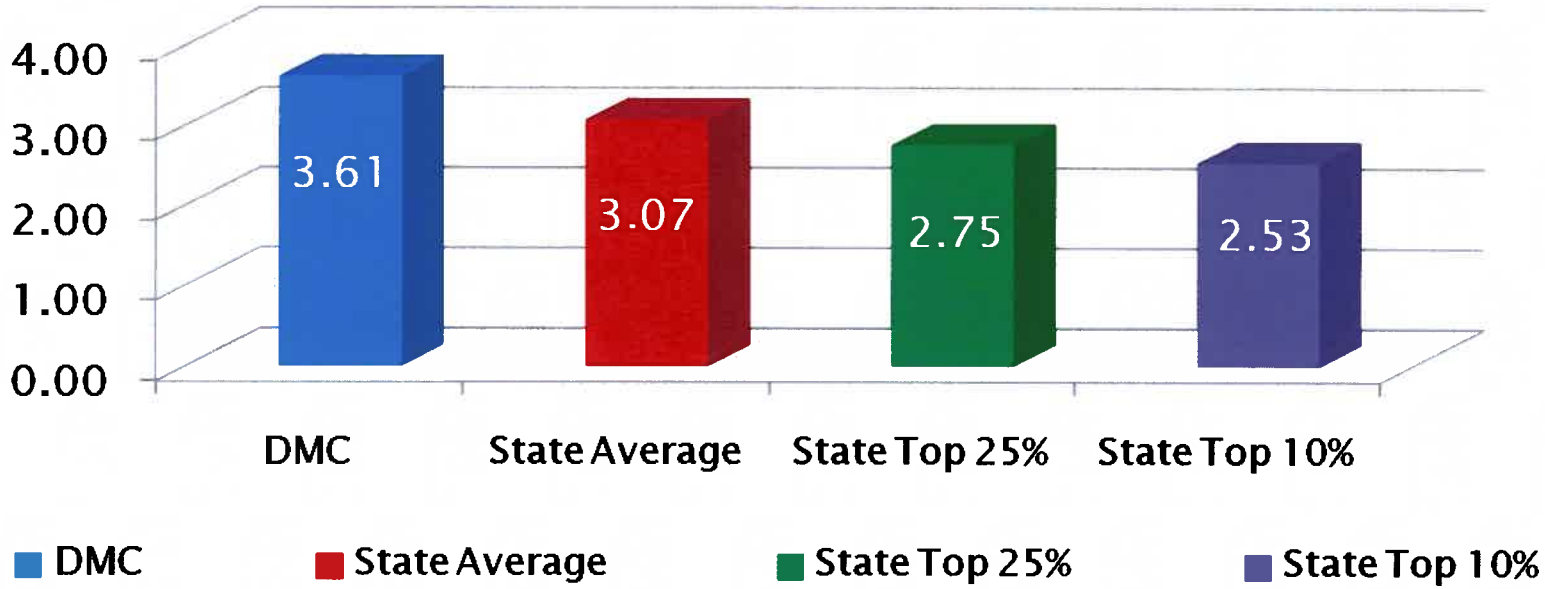


Statement of Activity – Summary
For the Period Ending
February 28, 2010
(Thousands)

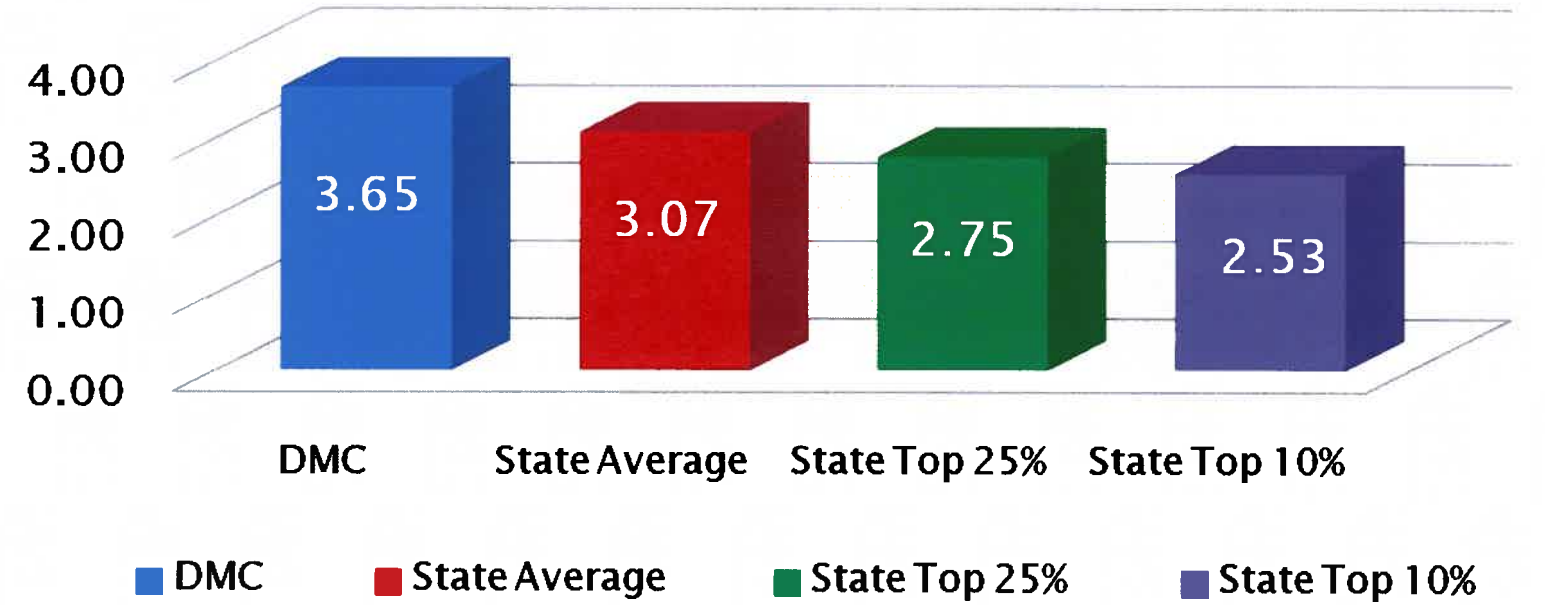
Actual M.T.D.	Budget M.T.D.	Variance		Actual Y.T.D.	Budget Y.T.D.	Variance
$10,504	$10,568	($64)	Net Operating Revenues	$20,387	$21,670	($1,283)
$11,709	$11,752	$43	Total Operating Expenses	$12,176	$12,494	$318
($1,205)	($1,184)	($21)	Income/(Loss) From Operations	($3,498)	($2,576)	($922)
$2,057	$2071	($14)	Income from Other Sources	$4,691	$4,142	$549
$852	$887	($35)	Net Income/(Loss)	$1,193	$1,566	($373)
8.1%	8.4%	-0.3%	Net Income Percentage	5.9%	7.2%	-1.3%
			California Benchmark Average	2.1%		
			Top 25%	7.1%		
			Top 10%	11.5%		

Length of Stay Comparison
Adjusted For Case Mix Index

February



YTD



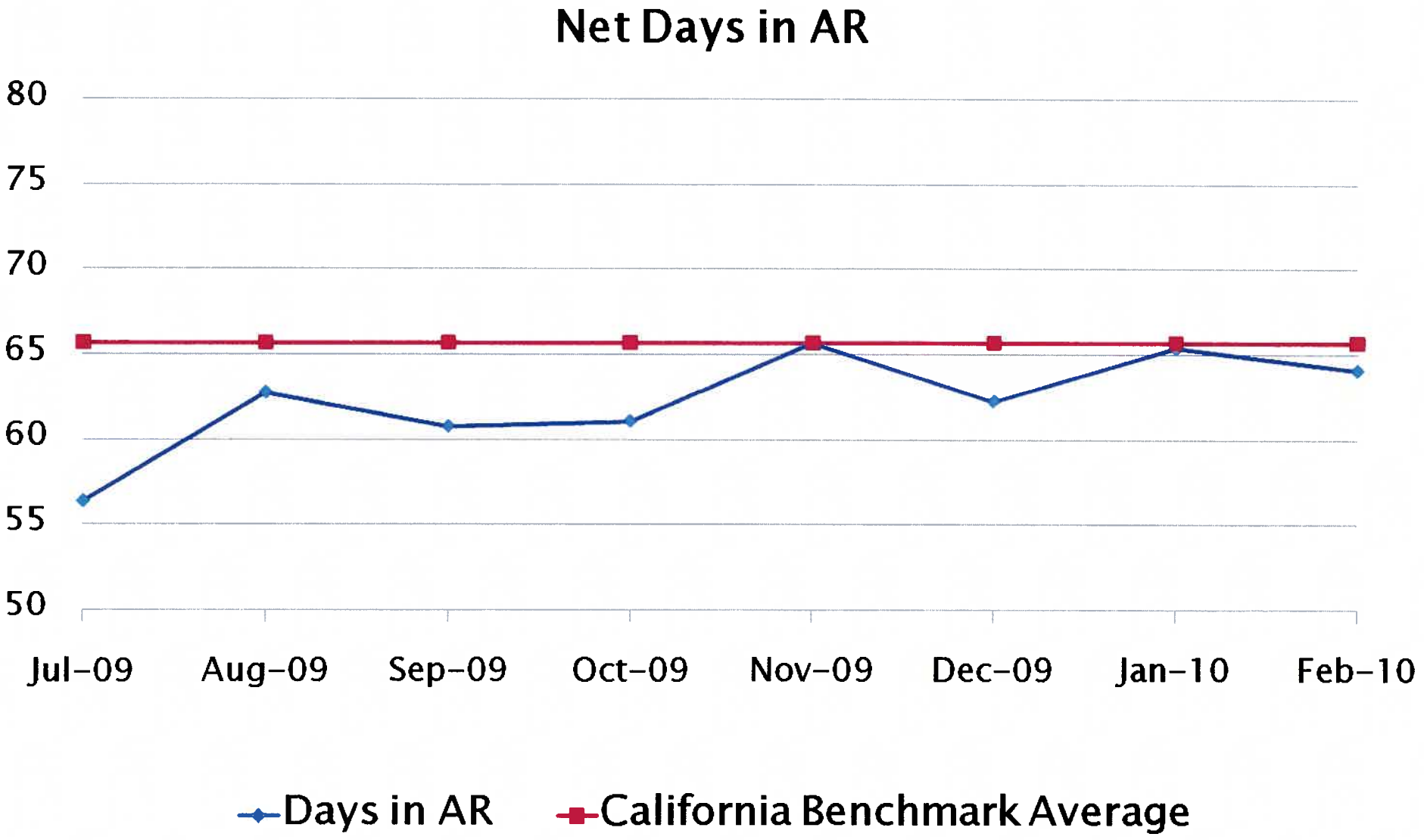
Cash Position
February 28, 2010
(Amounts in Thousands)

	February 28, 2010	December 31, 2009
Unrestricted Cash	$2,350	$7,666
Restricted Cash	$3,910	$5,363
Total Cash	$6,260	$13,029
Days Unrestricted Cash	6	21
Days Restricted	9	14
Total Days of Cash	15	35
California Benchmark Average	34	
Top 25%	82	
Top 10%	183	

Accounts Receivable
February 28, 2010
(Amounts in Thousands)

	February 28, 2010	December 31, 2009
Net Patient Accounts Receivable	$17,306	$16,150
Net Days in Accounts Receivable	64.1	63.2
California Benchmark Average	65.7 days	
Top 25%	45.2 days	
Top 10%	35.5 days	

Accounts Receivable



Questions

DOCTORS MEDICAL CENTER

February 2010 Executive Report

Doctors Medical Center had a Net Income of $852,000 in the month of February. As a result, net income was under budget by $35,000 due to lower net outpatient patient service revenue. The following are the factors leading to the Net Income variance:

Net Income Factors	**Over / (Under)**
Net Patient Revenue	
Medicare Inpatient Volume	$264,000
HMO/PPO Inpatient Volume	$278,000
Medi-Cal Inpatient Volume	$300,000
CDCR -Government Inpatient Volume	($446,000)
Outpatient HMO/PPO Volume	($363,000)
Expenses	
Salaries	$134,000
Supplies	($243,000)

Net patient revenue was under budget by $45,000. Patient days were 11.5% over budget but discharges were 8.0% over budget. The inpatient volume increase was in all payers except CDCR where net patient revenue was $446,000 short of budgeted expectations. Gross outpatient charges were under budget in February 12.0%. Outpatient gross charges were under budget by $2,377,000 which affected the net patient revenue from outpatient services. The departments most affected by the outpatient shortfall were the emergency department, surgery, cath lab and CT scanner. A major reason for the decrease was the high volume of inpatient services delayed the outpatient services.

Salaries were under budget by $134,000. The inpatient days were over budget by 11.5%. Inpatient census was high during the month and allowed for more efficient use of staff.

Supplies were over budget by $243,000 in February. The increases were for surgical implants $87,000, pacemakers in the Cath Lab $163,000 and drug costs $34,000 in the pharmacy. The higher than budget costs all relate to volume.

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2010
(Amounts in Thousands)

	CURRENT PERIOD				PRIOR YEAR		CURRENT YTD				PRIOR YEAR
	ACTUAL	BUDGET	VAR	VAR %	ACTUAL		ACTUAL	BUDGET	VAR	VAR %	ACTUAL
						OPERATING REVENUE					
1	10,430	10,475	(45)	-0.4%	9,591	Net Patient Service Revenue	20,242	21,484	(1,242)	-5.8%	20,460
2	74	93	(19)	-20.4%	113	Other Revenue	145	186	(41)	-22.0%	172
3	10,504	10,568	(64)	-0.6%	9,704	**Total Operating Revenue**	20,387	21,670	(1,283)	-5.9%	20,632
						OPERATING EXPENSES					
4	5,137	5,271	134	2.5%	5,197	Salaries & Wages	10,556	10,903	347	3.2%	10,699
5	2,678	2,681	3	0.1%	2,199	Employee Benefits	5,655	5,596	(59)	-1.1%	4,510
6	824	781	(43)	-5.5%	690	Professional Fees	1,632	1,562	(70)	-4.5%	1,396
7	1,754	1,511	(243)	-16.1%	1,557	Supplies	3,383	3,181	(202)	-6.4%	3,280
8	555	703	148	21.1%	561	Purchased Services	1,139	1,406	267	19.0%	1,201
9	148	123	(25)	-20.3%	83	Rentals & Leases	269	246	(23)	-9.3%	187
10	290	310	20	6.5%	273	Depreciation & Amortization	582	612	30	4.9%	545
11	323	372	49	13.2%	324	Other Operating Expenses	669	740	71	9.6%	704
12	11,709	11,752	43	0.4%	10,884	**Total Operating Expenses**	23,885	24,246	361	1.5%	22,522
13	(1,205)	(1,184)	(21)	1.8%	(1,180)	**Operating Profit / Loss**	(3,498)	(2,576)	(922)	35.8%	(1,890)
						NON-OPERATING REVENUES (EXPENSES)					
14	1,416	1,416	-	0.0%	1,000	Other Non-Operating Revenue	3,407	2,832	575	-20.3%	2,500
15	753	771	(18)	2.3%	811	District Tax Revenue	1,506	1,542	(36)	2.3%	1,525
16	9	8	1	12.5%	10	Investment Income	18	16	2	12.5%	20
17	(121)	(124)	3	0.0%	(129)	Less: Interest Expense	(240)	(248)	8	-3.2%	(258)
18	2,057	2,071	(14)	-0.7%	1,692	**Total Net Non-Operating**	4,691	4,142	549	13.3%	3,787
19	852	887	(35)	-3.9%	512	**Income Profit (Loss)**	1,193	1,566	(373)	-23.8%	1,897
						Profitability Ratios:					
20	-11.5%	-11.2%			-12.2%	Operating Margin %	-17.2%	-11.9%			-9.2%
21	8.1%	8.4%			5.3%	Profit Margin %	5.9%	7.2%			9.2%

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2010
(Amounts in Thousands)

22	1,800	1,965	165	8.4%	1,889	SWB / APD	1,892	1,962	70	3.6%	1,880
23	66.7%	67.7%			68.0%	SWB / Total Operating Expenses	67.9%	68.0%			67.5%
24	2,696	2,904	208	7.1%	2,780	Total Operating Expenses / APD	2,787	2,883	96	3.3%	2,784
25	41,244	41,474	(230)	-0.6%	40,412	I/P Gross Charges	79,969	85,255	(5,286)	-6.2%	83,382
26	17,383	19,760	(2,377)	-12.0%	18,129	O/P Gross Charges	35,258	40,852	(5,594)	-13.7%	37,044
27	**58,627**	**61,235**	**(2,608)**	**-4.3%**	**58,541**	**Total Gross Charges**	**115,227**	**126,107**	**(10,880)**	**-8.6%**	**120,426**
						Payor Mix (IP and OP)					
28	38%	39%	-1%		38%	Medicare %	40%	39%	1%		38%
29	18%	17%	1%		18%	Medi-Cal %	18%	17%	1%		16%
30	14%	15%	-1%		15%	Managed Care HMO / PPO %	14%	15%	-2%		16%
31	11%	11%	0%		11%	Medicare HMO %	10%	11%	-1%		11%
32	7%	6%	1%		5%	Medi-Cal HMO %	7%	6%	0%		6%
33	0%	0%	0%		1%	Commercial %	0%	0%	0%		0%
34	5%	1%	4%		1%	Worker's Comp %	3%	1%	2%		1%
35	3%	4%	-1%		4%	Other Government %	3%	4%	-2%		4%
36	7%	7%	0%		7%	Self Pay /Charity %	9%	7%	2%		8%
						STATISTICS					
37	542	493	49	9.9%	536	Admissions	1,052	1,039	13	1.2%	1,110
38	534	494	40	8.0%	543	Discharges	1,031	1,042	(11)	-1.0%	1,123
39	3,055	2,741	314	11.5%	2,703	Patient Days	5,947	5,685	262	4.6%	5,602
40	109.1	97.9	11.2	11.5%	96.5	Average Daily Census (ADC)	100.8	96.4	4.4	4.6%	94.9
41	5.72	5.54	(0.18)	-3.2%	4.98	Average Length of Stay (LOS)	5.77	5.46	(0.31)	-5.7%	4.99
42	28	28			28	Days in Month	59	59			59
43	759	730	29	4.0%	787	Adjusted Discharges (AD)	1,486	1,541	(55)	-3.6%	1,622
44	4,343	4,047	296	7.3%	3,916	Adjusted Patient Days (APD)	8,569	8,409	160	1.9%	8,091
45	155	145	11	7.3%	140	Adjusted ADC (AADC)	145	143	3	1.9%	137
46	80	103	(23)	-22.3%	93	Inpatient Surgeries	175	210	(35)	-16.7%	181
47	71	116	(45)	-38.8%	103	Outpatient Surgeries	151	237	(86)	-36.3%	206
48	**151**	**219**	(68)	-31.1%	**196**	**Total Surgeries**	**326**	**447**	(121)	-27.1%	**387**

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
INCOME STATEMENT
February 28, 2010
(Amounts in Thousands)

49	3,254	3,350	(96)	-2.9%	2,593	ED Outpatient Visits	6,649	6,818	(169)	-2.5%	5,486
50	2,811	2,885	(74)	-2.6%	2,782	Ancillary Outpatient Visits	5,506	5,849	(343)	-5.9%	5,746
51	71	116	(45)	-38.8%	103	Outpatient Surgeries	151	237	(86)	-36.3%	206
52	**6,136**	**6,351**	(215)	-3.4%	**5,478**	**Total Outpatient Visits**	**12,306**	**12,904**	(598)	-4.6%	**11,438**
53	477	509	(32)	-6.3%	474	Emergency Room Admits	926	1,036	(110)	-10.6%	957
54	14.7%	15.2%			18.3%	% of Total E/R Visits	13.9%	15.2%			17.4%
55	88.0%	103.2%			88.4%	% of Acute Admissions	88.0%	99.7%			86.2%
56	631	668	(37)	-5.6%	634	Worked FTE	616	657	(42)	-6.3%	605
57	709	772	(63)	-8.1%	695	Paid FTE	704	768	(64)	-8.4%	699
58	4.07	4.63	(0.56)	-12.0%	4.53	Worked FTE / AADC	4.24	4.66	(0.42)	-9.0%	4.41
59	4.57	5.34	(0.77)	-14.4%	4.97	Paid FTE / AADC	4.85	5.37	(0.52)	-9.7%	5.09
60	2,402	2,588	(187)	-7.2%	2,449	Net Patient Revenue / APD	2,362	2,555	(193)	-7.5%	2,529
61	13,500	15,131	(1,631)	-10.8%	14,951	I/P Charges / Patient Days	13,447	14,996	(1,549)	-10.3%	14,884
62	2,833	3,111	(278)	-8.9%	3,309	O/P Charges / Visit	2,865	3,166	(301)	-9.5%	3,239
63	1,183	1,302	120	9.2%	1,327	Salary Expense / APD	1,232	1,297	65	5.0%	1,322
64	5.70	4.98	(0.72)	-14.5%	4.98	Medicare LOS	5.97	4.99	(0.98)	-19.6%	4.99
65	1.58	1.52	(0.06)	-3.7%	1.52	Medicare CMI	1.63	1.57	(0.07)	-4.1%	1.57
66	3.61	3.27	(0.34)	-10.5%	3.27	Medicare CMI Adjusted LOS	3.65	3.18	(0.47)	-14.9%	3.18

WEST CONTRA COSTA HEALTHCARE DISTRICT
DOCTORS MEDICAL CENTER
BALANCE SHEET
February 28, 2010
(Amounts in $1,000)

		Current Month	Dec. 31, 2009
	ASSETS		
67	Cash	2,350	4,005
68	Net Patient Accounts Receivable	17,306	16,150
69	Other Receivables	12,385	5,352
70	Inventory	2,140	2,034
71	Prepaid Expenses and Deposits	325	717
72	**TOTAL CURRENT ASSETS**	**34,506**	**28,258**
73	**Assets With Limited Use**	**3,910**	**8,875**
	Property Plant & Equipment		
74	Land	12,090	12,090
75	Bldg/Leasehold Improvements	34,390	34,390
76	Capital Leases	10,926	10,926
77	Equipment	32,882	32,889
78	CIP	1,955	1,290
79	Total Property, Plant & Equipment	92,243	91,585
80	Accumulated Depreciation	-48,114	-47,543
81	**Net Property, Plant & Equipment**	**44,129**	**44,042**
82	**Intangible Assets**	**579**	**586**
83	**Total Assets**	**83,124**	**81,761**

		Current Month	Dec. 31, 2009
	LIABILITIES		
93	Current Maturities of Debt Borrowings	3,669	3,633
94	Accounts Payable and Accrued Expenses	11,398	11,927
95	Accrued Payroll and Related Liabilities	10,241	8,784
96	Deferred District Tax Revenue	2,558	3,028
97	Estimated Third Party Payor Settlements	2,545	3,132
98	**Total Current Liabilities**	**30,411**	**30,504**
	Other Liabilities		
99	Other Deferred Liabilities	0	0
100	Chapter 9 Bankruptcy	1,771	1,771
	Long Term Debt		
101	Notes Payable - Secured	25,397	25,966
102	Capital Leases	2,690	2,973
103	Less Current Portion LTD	-3,669	-3,633
104	**Total Long Term Debt**	**24,418**	**25,306**
105	**Total Liabilities**	**56,600**	**57,581**
	EQUITY		
106	Retained Earnings	24,734	14,807
107	Year to Date Profit / (Loss)	1,790	9,373
108	**Total Equity**	**26,524**	**24,180**
109	**Total Liabilities & Equity**	**83,124**	**81,761**

84	Current Ratio (CA/CL)	***1.13***	***0.93***
85	Net Working Capital (CA-CL)	***4,095***	***(2,246)***
86	Long Term Debt Ratio (LTD/TA)	***0.29***	***0.31***
87	Long Term Debt to Capital (LTD/(LTD+TE)	***0.48***	***0.51***
88	Financial Leverage (TA/TE)	***3.1***	***3.4***
89	Quick Ratio	**0.65**	**0.66**
90	Unrestricted Cash Days	**6**	**11**
91	Restricted Cash Days	**9**	**24**
92	Net A/R Days	**64.1**	**62.3**

DOCTORS MEDICAL CENTER

APPROVE NEW POLICY: Delegation of Authority to CEO

Tab 5

COPY

Doctors Medical Center Management Authority

Management Personnel Policy On Delegation of Authority to CEO

Pursuant to the Joint Powers Agreement of February 6, 2007, the Authority is responsible on behalf of the Healthcare District and Doctors Medical Center for oversight of personnel decisions involving members of DMC's executive and general management team other than the CEO. To implement that oversight with regard to management personnel, the Authority hereby delegates to the CEO authority at his/her discretion to give direction, including hiring and termination, to all management personnel. The CEO will consult with the Authority Board or a Committee thereof in connection with the hiring of executive management personnel.

the responsibility to notice meetings of the Authority Governing Board, to act as Secretary at the meetings of the Authority, to record all votes and to keep a record of the proceedings of the Authority in a journal of proceedings to be kept for such purpose. The CEO shall perform such other duties as are incident to the office or directed by the District, or directed by the Governing Board pursuant to its delegated powers. The Governing Board of the Authority shall, within its purview hereunder, delegate responsibility for the day to day operations of DMC to the CEO and Management as commonly extended by hospital governing bodies to hospital management, subject to Authority oversight and direction as set forth herein.

(2) Personnel and Employment Policies and Procedures. Authority shall oversee and direct on behalf of District and DMC all personnel decisions involving members of DMC's executive management team other than the CEO (collectively "Executive Officers"), and all other DMC employees, including without limitation decisions involving "meet & confer" issues specified in, and negotiation of, labor agreements, and other hiring, compensation, discipline and termination decisions. Within thirty (30) days following the Effective Date of this Agreement, District's CEO will submit to the Authority all collective bargaining agreements affecting DMC together with a written description of the District's policies and practices regarding recruitment, employment, salary levels, employee benefits, training, promotion, disciplinary and corrective actions, and termination of all DMC personnel (collectively referred to as "Employment Policies and Procedures"). All employees at DMC, including Executive Officers, shall be and remain employees of District, and all individuals and entities under contract to provide services to DMC shall contract with District to perform their contractual service obligations for the benefit of the District and DMC. Nothing in this Agreement is intended to supplant the jurisdiction of DMC's Executive Officers and CEO over human resources ("HR") matters; rather, it is the intention of the parties that, except in extraordinary circumstances, any HR matters deemed appropriate for attention by the Authority be reported through DMC's Executive Officers and CEO.

(3) Finances. On behalf of the District and DMC, Authority shall oversee and give direction to preparation of the annual fiscal year operating budgets, or revised budgets for DMC, as well as all DMC's pricing and reimbursement policies and practices, including without limitation DMC's chargemaster, collection, and charity care policies and practices, and such other fiscal policies underlying ordinary financial and strategic operations of DMC (collectively referred to as "Financial Policies and Practices"). District's CEO will provide the Authority with financial summaries, projections and forecasts of DMC operations no later than

DOCTORS
MEDICAL CENTER

QUALITY REPORT

Tab 6

CORE MEASURES STATISTIC REVIEW

Background:

The Joint Commission provides each hospital with a statistical review of the core measure data submitted for each measure reported. The expectation is that each hospital will utilize the data to determine that they have stable processes in place to achieve compliance to each element and measure. In a situations where measures are found to be 2 standard deviations off (from the average) for 3 or more quarters, the process measure undergoes a focused review for action plans to correct the outcome.

Findings:

The 3rd Quarter data which has been reported and published demonstrates that there are areas of improvement as previously discussed. Those specific measure elements are as follows:

- Antibiotic administered within 1 hour of incision
    - The identified reason for our variation is the inconsistent documentation of each aspect, time of dose, name of drug and route of drug in a manner allowable in record abstraction for CMS. DMC has drafted a policy that speaks to all medications in the OR are to be given IV unless otherwise specified. The Nursing documentation system has a default set for IV route administration unless manually changed by the circulating nurse.

- Discontinuance of antibiotic within 24 hours
    - The OR is working with Pharmacy to develop a protocol in which the timing of subsequent medications are to be timed from the initial dose and not under the standard administration times as established by policy.

- Completed Discharge Instructions for Heart Failure Patients
    - The Core Measure PI Team has met and clinical pathways which mirror the education discharge sheet with all required elements are under development with expected implementation for 3rd quarter patients.

- Seasonal Influenza vaccine administration
    - All patients are required to be given seasonal flu vaccine during hospitalization unless prior administration is noted or physician reason documented as to why not given. PI is working with MEC for a physically approved protocol for automatic administration. This protocol would require that an order be written explicitly indicating to not administered the vaccine and provide rational for such omission. This will be completed by fall.

:gulatory Compliance
e: January- March 2010

	4th		5th		6th		MICU		Total	
ntation Compliance										
Num/Denom	562	563	901	945	683	694	436	443	2582	2645
sessment is completed of admission and includes										
Num/Denom	57	57	99	116	64	70	59	59	279	302
s is screened on admission nt of risk level is										
Num/Denom	56	56	94	97	70	70	54	57	274	280
ed to be moderate/high roblem is identified and ctive of the risk?										
Num/Denom	56	56	91	92	68	69	47	49	262	266
ntation of: ssed learning needs rn erences earn ement in care or services e (when appropriate)										
Num/Denom	55	56	91	93	70	70	55	55	271	274
d on treatment priorities. o respond to the patient's cluding age-specific										
Num/Denom	56	56	93	95	69	70	56	57	274	278

ord provides evidence that tive and interdisciplinary.										
Num/Denom	57	57	87	93	68	69	52	53	264	272
s is periodically evaluated and when indicated, the revised.										
Num/Denom	57	57	87	93	67	68	50	50	261	268
of education related to ces and when necessary vices, or treatment.										
Num/Denom	57	57	91	91	68	69	26	26	242	243
of patient responsibilities										
Num/Denom	55	55	84	90	70	70	11	11	220	226
related to discharge to the patient/family.										
Num/Denom	56	56	84	85	69	69	26	26	235	236
Num/Denom	262	264	399	462	258	258	177	199	1096	1183
screening for pain with signs.										
Num/Denom	57	57	109	116	70	70	56	59	292	302
ncing pain screened at evels receive further pain N (including pain ency, location, and quired interventions are										
Num/Denom	52	53	66	93	54	54	41	45	213	245
y treated and re-assessed tervention.										
Num/Denom	53	53	64	93	46	46	39	44	202	236

edication are documented.										
Num/Denom	51	51	67	67	44	44	20	28	182	190
education related to pain ain as part of treatment,										
Num/Denom	49	50	93	93	44	44	21	23	207	210
Num/Denom	133	136	321	326	160	163	144	168	758	793
assessed on admission										
Num/Denom	57	57	116	116	70	70	57	59	300	302
assessed per shift per										
Num/Denom	55	57	113	116	70	70	56	59	294	302
risk for falls, is care plan risk?										
Num/Denom	21	22	92	94	20	23	31	50	164	189
Num/Denom	957	963	1621	1733	1101	1115	757	810	4436	4621

DOCTORS
MEDICAL CENTER

CEO REPORT

Tab 7

March 15, 2010

As Medicaid Payments Shrink, Patients Are Abandoned

By KEVIN SACK

FLINT, Mich. — Carol Y. Vliet's cancer returned with a fury last summer, the tumors metastasizing to her brain, liver, kidneys and throat.

As she began a punishing regimen of chemotherapy and radiation, Mrs. Vliet found a measure of comfort in her monthly appointments with her primary care physician, Dr. Saed J. Sahouri, who had been monitoring her health for nearly two years.

She was devastated, therefore, when Dr. Sahouri informed her a few months later that he could no longer see her because, like a growing number of doctors, he had stopped taking patients with Medicaid.

Dr. Sahouri said that his reimbursements from Medicaid were so low — often no more than $25 per office visit — that he was losing money every time a patient walked in his exam room.

The final insult, he said, came when Michigan cut those payments by 8 percent last year to help close a gaping budget shortfall.

"My office manager was telling me to do this for a long time, and I resisted," Dr. Sahouri said. "But after a while you realize that we're really losing money on seeing those patients, not even breaking even. We were starting to lose more and more money, month after month."

It has not taken long for communities like Flint to feel the downstream effects of a nationwide torrent of state cuts to Medicaid, the government insurance program for the poor and disabled. With states squeezing payments to providers even as the economy fuels explosive growth in enrollment, patients are finding it increasingly difficult to locate doctors and dentists who will accept their coverage. Inevitably, many defer care or wind up in hospital emergency rooms, which are required to take anyone in an urgent condition.

Mrs. Vliet, 53, who lives just outside Flint, has yet to find a replacement for Dr. Sahouri. "When you build a relationship, you want to stay with that doctor," she said recently, her face gaunt from disease, and her head wrapped in a floral bandanna. "You don't want to go from doctor to doctor to doctor and have strangers looking at you that don't have a clue who you are."

The inadequacy of Medicaid payments is severe enough that it has become a rare point of agreement in the health care debate between President Obama and Congressional Republicans. In a letter to Congress after their February health care meeting, Mr. Obama wrote that rates might need to rise if Democrats achieved their goal of extending Medicaid eligibility to 15 million uninsured Americans.

In 2008, Medicaid reimbursements averaged only 72 percent of the rates paid by Medicare, which are themselves typically well below those of commercial insurers, according to the Urban Institute, a research group. At 63 percent, Michigan had the sixth-lowest rate in the country, even before the recent cuts.

In Flint, Dr. Nita M. Kulkarni, an obstetrician, receives $29.42 from Medicaid for a visit that would bill $69.63 from Blue Cross Blue Shield of Michigan. She receives $842.16 from Medicaid for a Caesarean delivery, compared with $1,393.31 from Blue Cross.

If she takes too many Medicaid patients, she said, she cannot afford overhead expenses like staff salaries, the office mortgage and malpractice insurance that will run $42,800 this year. She also said she feared being sued by Medicaid patients because they might be at higher risk for problem pregnancies, because of underlying health problems.

As a result, she takes new Medicaid patients only if they are relatives or friends of existing patients. But her guilt is assuaged somewhat, she said, because her husband, who is also her office mate, Dr. Bobby B. Mukkamala, an ear, nose and throat specialist, is able to take Medicaid. She said he is able to do so because only a modest share of his patients have it.

The states and the federal government share the cost of Medicaid, which saw a record enrollment increase of 3.3 million people last year. The program now benefits 47 million people, primarily children, pregnant women, disabled adults and nursing home residents. It falls to the states to control spending by setting limits on eligibility, benefits and provider payments within broad federal guidelines.

Michigan, like many other states, did just that last year, packaging the 8 percent reimbursement cut with the elimination of dental, vision, podiatry, hearing and chiropractic services for adults.

When Randy C. Smith showed up recently at a Hamilton Community Health Network clinic near Flint, complaining of a throbbing molar, Dr. Miriam L. Parker had to inform him that Medicaid no longer covered the root canal and crown he needed.

A landscaper who has been without work for 15 months, Mr. Smith, 46, said he could not afford the $2,000 cost. "I guess I'll just take Tylenol or Motrin," he said before leaving.

This year, Gov. Jennifer M. Granholm, a Democrat, has revived a proposal to impose a 3 percent tax on physician revenues. Without the tax, she has warned, the state may have to reduce payments to health care providers by 11 percent.

In Flint, the birthplace of General Motors, the collapse of automobile manufacturing has melded with the recession to drive unemployment to a staggering 27 percent. About one in four non-elderly residents of Genesee County are uninsured, and

one in five depends on Medicaid. The county's Medicaid rolls have grown by 37 percent since 2001, and the program now pays for half of all childbirths.

But surveys show the share of doctors accepting new Medicaid patients is declining. Waits for an appointment at the city's federally subsidized health clinic, where most patients have Medicaid, have lengthened to four months from six weeks in 2008. Parents like Rebecca and Jeoffrey Curtis, who had brought their 2-year-old son, Brian, to the clinic, say they have struggled to find a pediatrician.

"I called four or five doctors and asked if they accepted our Medicaid plan," said Ms. Curtis, a 21-year-old waitress. "It would always be, 'No, I'm sorry.' It kind of makes us feel like second-class citizens."

As physicians limit their Medicaid practices, emergency rooms are seeing more patients who do not need acute care.

At Genesys Regional Medical Center, one of three area hospitals, Medicaid volume is up 14 percent over last year. At Hurley Medical Center, the city's safety net hospital, Dr. Michael Jaggi detects the difference when advising emergency room patients to seek follow-up treatment.

"We get met with the blank stare of 'Where do I go from here?' " said Dr. Jaggi, the chief of emergency medicine.

New doctors, with their mountains of medical school debt, are fleeing the state because of payment cuts and proposed taxes. Dr. Kiet A. Doan, a surgeon in Flint, said that of 72 residents he had trained at local hospitals only two had stayed in the area, and both are natives.

Access to care can be even more challenging in remote parts of the state. The MidMichigan Medical Center in Clare, about 90 miles northwest of Flint, closed its obstetrics unit last year because Medicaid reimbursements covered only 65 percent of actual costs. Two other hospitals in the region might follow suit, potentially leaving 16 contiguous counties without obstetrics.

Medicaid enrollees in Michigan's midsection have grown accustomed to long journeys for care. This month, Shannon M. Brown of Winn skipped work to drive her 8-year-old son more than two hours for a five-minute consultation with Dr. Mukkamala. Her pediatrician could not find a specialist any closer who would take Medicaid, she said.

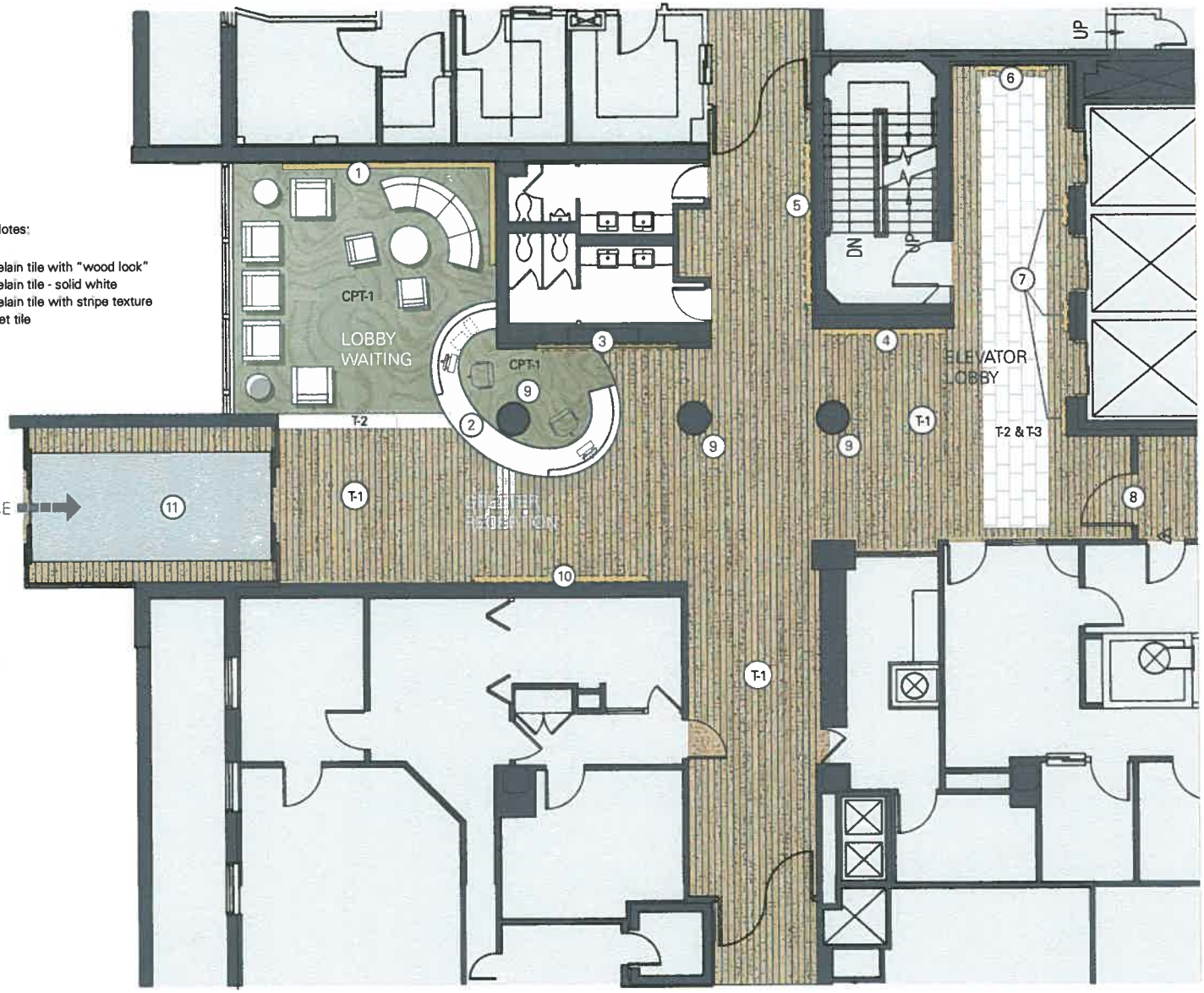
Later this month, she will take the predawn drive again so Dr. Mukkamala can remove her son's tonsils and adenoids. "He's going to have to sit in the car for three hours after his surgery," Mrs. Brown said. "I'm not looking forward to that one."

An earlier version of this headline erroneously stated that patients had dropped out of Medicaid because of the shrinking payments. It is the doctors who dropped out of the program.


thank you.

Floor Finish Notes:

T-1	Porcelain tile with "wood look"
T-2	Porcelain tile - solid white
T-3	Porcelain tile with stripe texture
CPT-1	Carpet tile



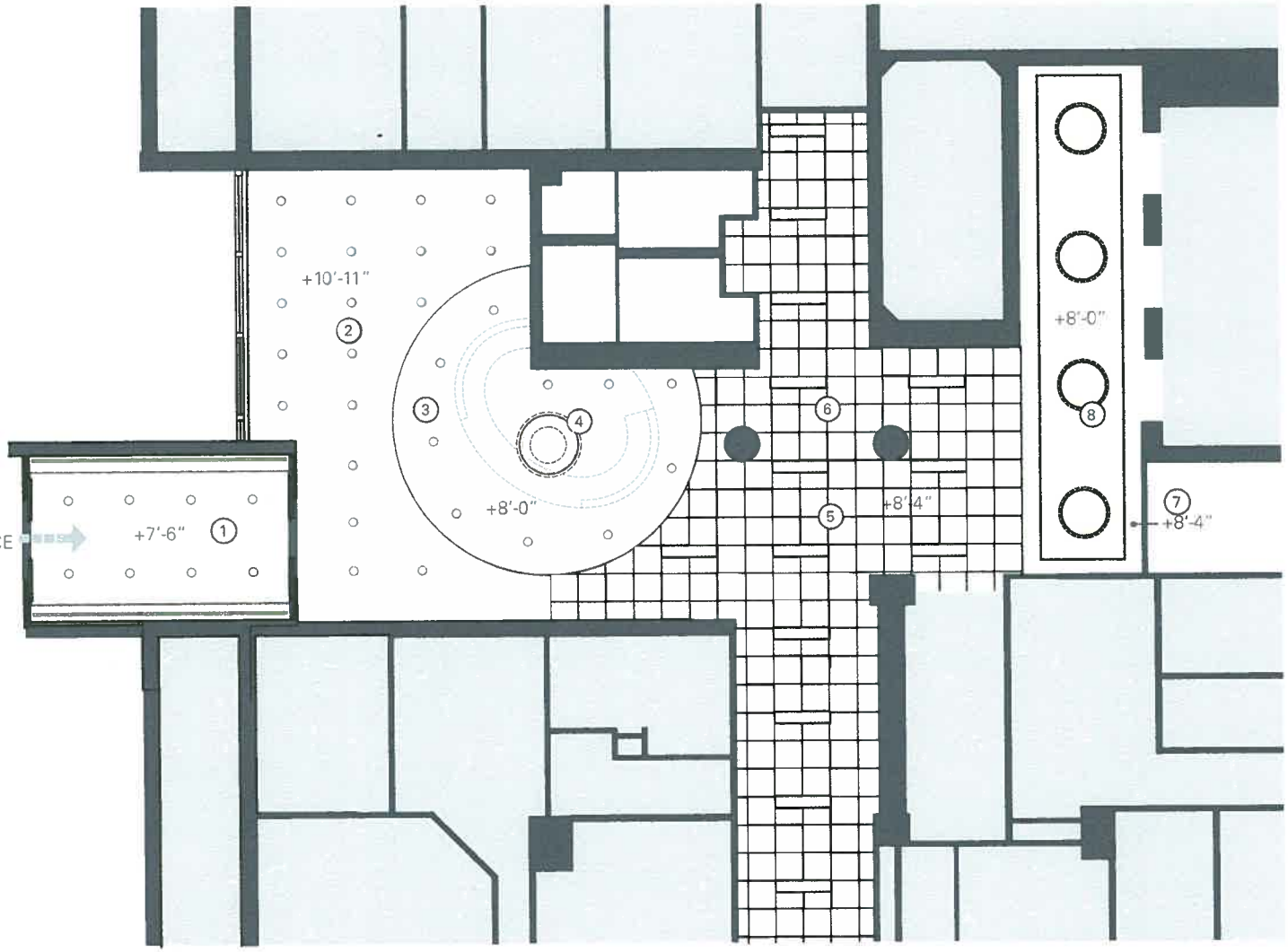
scale: 1/8" = 1'-0"

Notes:

1. New drywall mounted to front face of existing marble wall. Recessed led lights on back side of drywall along outer edges to illuminate the marble wall. Surface finish to be a patterned texture from Modular Arts.
2. New curved oval shaped desk will replace the existing desk. The desk will accomodate 2 people.
3. Furr out existing wall to accomodate a new wall niche. A 3form acrylic panel will be mounted inside the niche, with rear illumination.
4. Proposed location for new art to be selected to compliment the new design aesthetic.
5. Proposed new location for existing wall of photos featuring DMC Staff.
6. Proposed location for new art to be selected to compliment the new design aesthetic.
7. Proposed location for new patterned Skyline glass panels to be pin mounted off wall with stainless steel hardware.
8. Remove existing door and wall and replace with new painted drywall and door with frosted glass window in new location.
9. Replace existing wallcovering on columns with new vinyl wallcovering or paint finish.
10. Remove existing glass and countertop. Fill and patch the wall on both sides. Proposed location for a new donor wall.
11. New walk off mat incorporated into the floor in entry vestibule.

General Note:

Design intent for the lobby and elevator lobby as shown - all existing trim, wallcovering, and floor materials will be removed and replaced with new paint, wallcoverings, and floor materials.



scale: 1/8" = 1'-0"

Notes:

1. Patch and paint existing drywall ceiling. Remove existing flourescent fixtures. Cut into existing ceiling and create a light soffit. LED strips run along each soffit to wash each wall in the vestibule. Add new downlights in.
2. Patch and paint existing drywall ceiling. Repalce existing can lights with new recessed can lights.
3. New drywall ceiling (painted) with new recessed lighting.
4. New soffit with light fixture to wash the column from the top down.
5. New 2x2 ceiling grid tile.
6. New recessed lights (final layout and fixture to be selected in CD phase).
7. New painted drywall ceiling.
8. New drywall ceiling with circular light coves.

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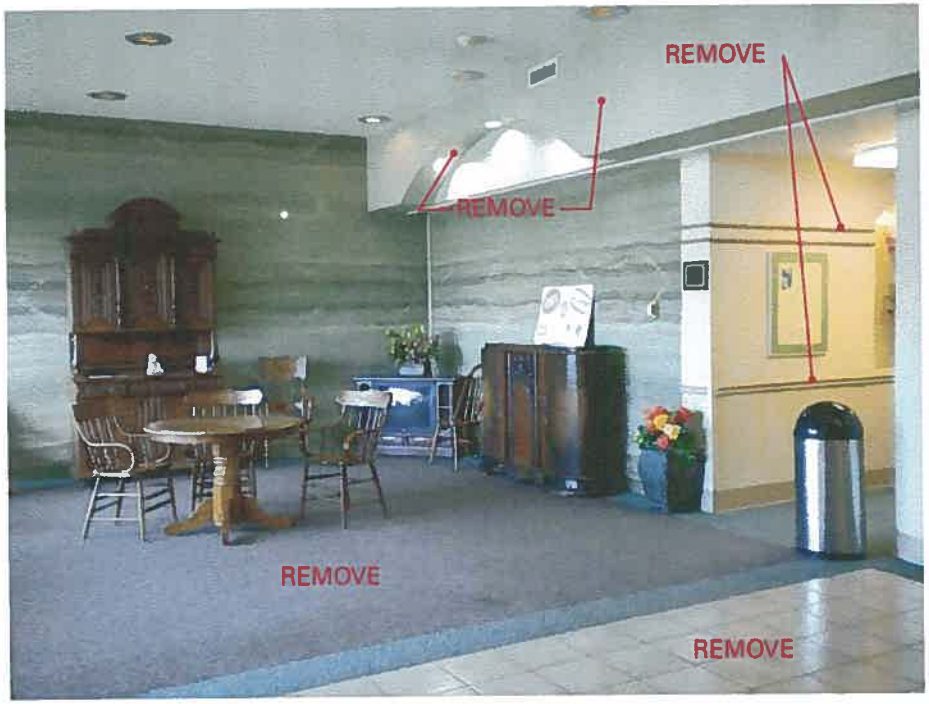
lobby before:



carpet field

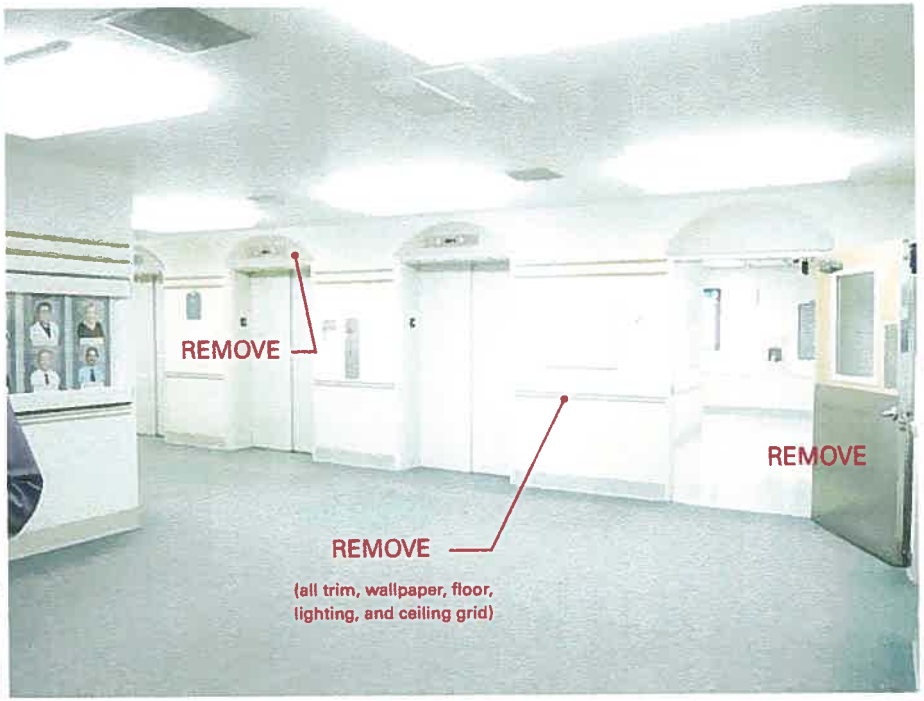
modular arts wall

wood look tile

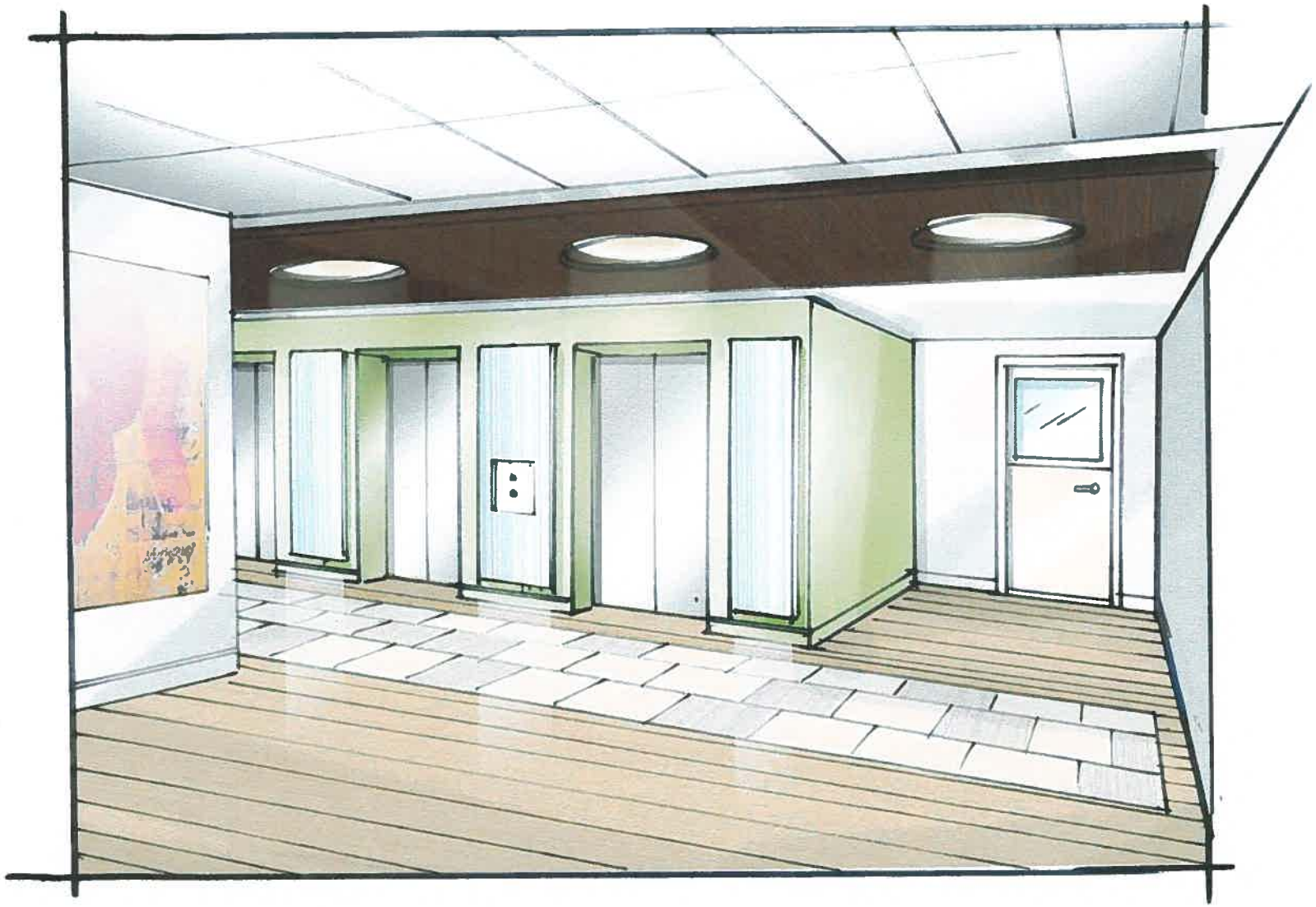
RTKL

lobby after:

elevator lobby before:



elevator lobby after:



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elevator lobby after:

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